



CITY OF HOUSTON

Public Works and Engineering
Department

Annise D. Parker

Mayor

Michael S. Marcotte, P.E., D.WRE, BCEE
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March 10, 2010

Dear Customer:

Each year on April 1st, the City of Houston's water and wastewater rates are automatically adjusted to reflect any increase in the regional Consumer Price Index (CPI). This year's rate increase is calculated to be 0.3%, or 14 cents more per month for the average household. This annual rate adjustment is intended to help cover cost increases that impact the provision of safe, clean drinking water and the removal and treatment of wastewater. This includes operational costs as well as the costs involved in repairing and replacing portions of the system's aging infrastructure.

The City has undertaken various programs this past year to reduce the costs of providing these services to our customers. An efficiency study of various parts of the water and wastewater system has yielded millions in immediate savings and suggestions for additional efficiencies that could help reduce costs in future years. In addition, where possible, we have renegotiated long term contracts for further savings. However, overall, the cost to provide these critical services has continued to increase in recent years.

Even with the automatic adjustments tied to the CPI, rates may not be at a level sufficient to provide enough revenue to support our aging system and meet legal requirements. With this in mind, the City is completing a top to bottom review of its water and wastewater rate structure. Upon conclusion of this study, further recommendations relative to rates and the rate structure will be made to City Council. This information will be discussed at City Council committee in April.

Sincerely,

Michael S. Marcotte, P.E., D.WRE, BCEE

MSM:sb